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In the Supreme Court of the United States

OCTOBER TERM, A. D. 1941.

No. 703.

THE MAYTAG COMPANY AND
MAYTAG SALES CORPORATION,
Petitioners,

vs.

THE APEX ELECTRICAL MANUFACTURING COMPANY,
Respondent.

BRIEF FOR RESPONDENT ON THE PETITION FOR WRIT OF CERTIORARI.

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BRIEF FOR RESPONDENT ON THE PETITION FOR WRIT OF CERTIORARI.

The Respondent herewith respectfully points out the reasons why, in its opinion, the present Petition should be denied:

(1) There is no diversity of decision between Courts of Appeals below (*Keller v. Adams*, 264 U. S. 311, 314; *Layne v. Western Well*, 261 U. S. 387, 393.)

(2) There is uniformity of decision in the Second and the Seventh Circuits below. The decision of the Court of Appeals in the Seventh Circuit, 122 Fed. (2) 182 is in accord with the decision of the District Court in Connecticut in *The Apex Electrical Manufacturing Company versus Landers, Frary & Clark*, 21 F. S. 241.

(3) There is no diversity of decision between the Court of Appeals in the Seventh Circuit and the District Court in the instant case. On the contrary, the two are in accord. This Court has recently declined to grant certiorari in many such cases (see *Ace v. Exhibit*, 119 Fed. (2)

349; certiorari denied October 14, 1941; *Killian v. Dean,* 308 U. S. 624; *General v. Fisk,* 308 Fed. (2) 581).

(4) No question of public interest is involved; petitioners show no other unlicensed infringer than petitioners. Therefore, *Schriber-Schroth v. Cleveland Trust,* 305 U. S. 47 is not applicable. On this record the interest is limited to the litigants.

(5) The patent in suit has expired and, therefore, the only thing involved is the amount of the recovery. This makes the controversy purely private to the parties. Indeed, a patent controversy could not be more local and of less public interest than one such as the instant controversy where the only thing involved is the amount of the judgment.

(6) The litigation over the patent in suit has not been confined to one Circuit, as in the *Schriber-Schroth* case.

(7) The sole purpose of the Petition is to challenge here the rightness of the concurring findings of fact of the District Judge in Connecticut, the District Judge in Indianapolis, and the Court of Appeals in the Seventh Circuit on hearing and rehearing.

(8) The specific questions presented to this Court were all fully presented and ruled upon by each of these Courts below.

(9) The Findings challenged are Findings of Fact in which all three Courts are in accord.

(10) The Court of Appeals not only decided the issues on the basis of Rule 52, but decided them independently of Rule 52.

(11) Each of the District Judges saw and heard the witnesses who gave the testimony upon which the Findings of Fact are based; the District Judge in the instant case saw the machines and their operation.

(12) All Courts applied the rules of identity, substantial identity and equivalency as announced, rean-

nounced and applied by this Court in decisions all the way from *Winans v. Denmead*, 15 How. 330 to *Smith v. Snow*, 294 U. S. 1.

(13) The claims are not functional; they classify with the claims sustained by this Court in *Bassick v. Hollingshead*, 298 U. S. 415 and not with the claims in *General Electric v. Wabash*.

(14) There is no laches; there is no law question involved; the law principles followed are ancient and standard; the question is one of fact in which all three Courts below are in accord.

While this Court undoubtedly has jurisdiction and the right to grant the Petition for Certiorari, this Court has said that it would not grant certiorari in a patent case involving only questions of invention, breadth of claims, and the like. Thus in *Keller v. Adams-Campbell*, 264 U. S. 314, 319, this Court said:

> "Such an ordinary patent case, with the usual issues of invention, breadth of claims, and non-infringement, this court will not bring here by certiorari unless it be necessary to reconcile decisions of circuit courts of appeal on the same patent."

This Court has also said it would not take up a case to settle principles important to the parties, but unimportant to the public. Thus, in *Layne and Bowler Corporation v. Western Well Works*, 261 U. S. 387, the Court said (p. 393):

> "If it be suggested that as much effort and time as we have given to the consideration of the alleged conflict would have enabled us to dispose of the case before us on the merits, the answer is that it is very important that we be consistent in not granting the writ of certiorari except in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties, and in cases where there is a real and embarrassing conflict of opinion and authority between the circuit courts of appeal."

This Court has also said that it would not grant certiorari to review concurring decisions below (*Thompson Spot Welder v. Ford Motor Company*, 265 U. S. 445).

In *General Pictures v. Electric*, 304 U. S. 175 this Court said (pp. 178-179):

> "Moreover, the decision on that point rests on concurrent findings. They are not to be disturbed unless plainly without support. *United States v. Chemical Foundation*, 272 U. S. 1, 14. *United States v. McGowan*, 290 U. S. 592. *Alabama Power Co. v. Ickes*, 302 U. S. 464. There is evidence to support them. Nor would the writ be granted to review the questions of anticipation and invention that petitioner argues, for as to them there is no conflict between decisions of circuit courts of appeals. *Layne & Bowler Corp. v. Western Well Works*, 261 U. S. 387, 393. *Keller v. Adams-Campbell Co.*, 264 U. S. 314, 319-320. Cf. *Stilz v. United States*, 269 U. S. 144, 147-148."

In the *Schriber-Schroth* case there was diversity of decision below, the Court of Appeals in the Sixth Circuit being in disagreement with the Master and the District Judge. Moreover, the patents involved were still extant and litigation had been, and this Court thought, as we understand it, that litigation would be confined to the Sixth Circuit. In the instant case the patent has been litigated in the Second and Seventh Circuits.

The rule of respect for concurring decisions of Courts below who saw and heard the witnesses announced a long time ago by this Court in *Adamson v. Gilliland*, 242 U. S. 350, has now been given the force of law under Rule 52 of the Federal Rules of Civil Procedure and extended to the Courts who saw the machines and their operations.

I.

SUMMARY STATEMENT OF MATTER INVOLVED.

The Petitioner, the Maytag Company, was the prime mover and the principal in the organization, the promotion and the execution of a patent "pool"; a collateral patent came to this Court in *Maytag v. Hurley*, 307 U. S. 241 (R. pp. 571, 588; D. E. 67 and 69). Respondent, Apex, paid Four Hundred and Fifty Thousand Dollars ($450,000.00) in royalty into this "pool" (R. p. 118). The patent pool not only exacted these royalties, but imposed such other conditions that a relative newcomer in the field, such as the Respondent, was relegated to purchasing patents to acquire meritorious equipment to meet the competition of the Maytag Company (R. p. 104). Among the patents purchased in this connection by Respondent was the Eden patent in suit (R. p. 104) which disclosed an invention of great merit (R. p. 1022) and which has been incorporated in hundreds of thousands of machines sold and used throughout the country (see Finding No. 6; R. p. 760, and R. pp. 119, 118, 125, 127, 128 and 225). The claim to the contrary is one of the inexcusable errors in the Petition. While the Maytag Company was exacting tribute from others under its patents, it disregarded the patent rights of these others, including the rights of Respondent, and hence this suit, a purpose of which might, in effect, be said to be an effort to recover for the use of the Respondent's patent rights by the Maytag Company some of the royalties paid under the Petitioner's patents into the pool by the Respondent.

The owners of the Eden patent, prior to the purchase by Apex, did not know that Maytag was making the infringing construction or infringing the patent. Repeated assertion in the Petition to the contrary is the second inexcusable error of the Petition (R. pp. 123, 124, 125 and 131). At the time the Respondent purchased the Eden patent, Respondent did not know that it was being infringed by the Petitioner (R. p. 104). Hence the fallacy of the claim re-

peatedly made by the Petitioner that the case is predicated upon speculation by the purchaser of the patent.

The witness, Hess, was not asked leading questions; the questions asked were not objected to. Mr. Hess testified not only that he did not know that Maytag was infringing, but he did not know what features were made by Maytag that constituted the infringing constructions. On the latter subject he testified particularly at page 131 of the record, explaining that he no more knew what was inside the Maytag casing than the ordinary person knows what is inside of an automobile, though one might know all about the outside of the automobile. The record further shows that Mr. Hess not only testified to these facts on the witness-stand, but he told them to the Petitioner before he went on the witness-stand when the Petitioner inquired of him about them, intending to place him on the witness-stand, which the Petitioner did not do after learning that the evidence was against the Petitioner (R. pp. 125 and 131).

As soon as the patent had been acquired by the Respondent, the Maytag Company was notified of the infringement. The delays in the prosecution of the instant suit mentioned in the Petition resulted from the prosecution of a similar suit in the Second Circuit, the taking of depositions here, and the conveniences of Court and counsel. In other words, Respondent recognized the authority which holds that a patentee is not required to proceed with two suits on the same patent at the same time, but should wait in the one case until there is an adjudication in the other case (*U. S. Fire v. Wisconsin,* 290 Fed. 171, 173 (C. C. A. 7); *Tompkins v. St. Regis,* 236 Fed. 221, 225 (C. C. A. 2); *Stearns v. Brown,* 114 Fed. 939, 945 (C. C. A. 8); *U. S. Mitis v. Detroit,* 122 Fed. 863, 866 (C. C. A. 6)). All during the prosecution in the Connecticut suit the Petitioner was under notice of infringement and familiar with the proceedings in the Connecticut suit. The Connecticut

suit was brought to trial in due time. The decision is reported at 21 F. S. 241 and was handed down November 10, 1937, holding the Eden patent valid and infringed against the defenses here presented, including laches. This feature of the cause was settled and the balance was appealed, resulting in a per curiam affirmance in the Second Circuit Court of Appeals (100 Fed. (2) 1009). In view of the affirmance by the Court of Appeals of all other parts of Judge Thomas' decision, we are willing to concede that Respondent made a mistake in settling the Eden branch for what Petitioner calls "a nominal sum." With the Second Circuit litigation cleared away, the parties proceeded to trial in the instant cause as fast as taking depositions and conveniences of counsel and Court permitted.

The trials, both in Connecticut and Indianapolis, were had in open Court where the District Judges saw and heard the witnesses and saw the demonstrations of the machines. The prior art submitted in the two cases was the same except that in the District Court in the instant case the so-called Schroeder machine was produced and offered by the defendant. However, upon its being found to be spurious by the District Court (R. p. 760), it was rejected, so that the art before the two District Courts was the same.

Even defendant's expert paid tribute to the Eden invention, testifying that Eden solved a problem which had not been solved by anybody else (R. pp. 281 and 286). The District Judge found, *inter alia*, that Eden solved a problem and filled a need which had long existed; that others skilled in the art prior to Eden had attempted and failed to solve this problem; that Eden's invention had met with public adoption and use and commercial success; that plaintiff's predecessors had no knowledge of the infringing construction; that there were no laches; and that the accused device was the full equivalent of the Eden patented device (R. pp. 760 and 761). These Findings and Conclusions were in substantial accord with those of the District Court in Connecticut.

The cause went to the Court of Appeals of the Seventh Circuit who affirmed the District Court in Indianapolis and the District Court in Connecticut, both on the Court's independent judgment and under Rule 52 and the provisions in the cases preceding Rule 52 and upon which it was founded, and especially upon those decisions which accredit weight to the finding of a District Court who saw the machines operated, as well as who saw the witnesses. The Court of Appeals, however, was not content to rest its decision upon Rule 52, but came to an independent conclusion as well. For example, take the excerpt quoted at page 7 of the Petition from record page 1025. Here the Petitioner quotes only the portion of the opinion of the Court of Appeals discussing infringement in connection with Rule 52. However, the Court also said, by way of coming to the same conclusion independently of Rule 52 (p. 1025):

> "However, we have here substantial identity both in combinations and in elements, and it seems to us that equivalency is obvious. We think there was no error in holding the claims infringed."

In these premises it does not matter whether the rule as stated in F. R. C. P. 52, or the rule in *Singer v. Cramer,* applies. In other words, it does not matter whether infringement in this case is predicated upon fact or law though, of course, it is predicated upon fact. The law of equivalency is well understood. The sole question was whether or not the performance of the machines was according to that rule of law. As the District Judge not only heard the witnesses, but saw the machines operated, the situation would seem to be the very kind of a situation that the promulgators of Rule 52 had in mind and the Courts, in a host of decisions, had in mind prior to the promulgation of that rule (see, for example, *G. M. v. Swan,* 44 Fed. (2) 24 (C. C. A. 6) and *Stevens v. Schmid,* 73 Fed. (2) 54 (C. C. A. 2)). The rule, of course, is not peculiar to patent law but, as is well recognized, is generic throughout the

law and results from the recognized superior opportunity of the Court who sees and hears the witnesses and sees the machines and their operations to ascertain and determine the facts.

The Court of Appeals did not decline to review the holding of the District Courts on the question of laches. On this subject the Court said, *inter alia* (R. p. 1025):

> "*These were all questions of fact and were sharply contested.* There was substantial evidence in support of the lower court's finding and we can not disturb it. The same question was presented in the *Landers* case, *supra*, and a like finding was made." (Emphasis ours throughout unless otherwise indicated.)

On the general subject of the opinion of the District Courts, the Court of Appeals expressed its position as follows (R. p. 1022):

> "*Of course, our decision should not be, and it is not based alone on this coincidence of opinion.* However, the record in this case and the opinion in the *Landers* case are quite convincing that both cases were well tried and thoroughly considered."

The substantial evidence referred to is recited by us hereafter in this brief. However, Petitioner's method of attacking one important item of this evidence by accusing the witness of knowing of the infringement and the character of the infringing apparatus when he testified positively that he did not know either, emphasizes the propriety of the acceptance by the Court of Appeals of the decision of the District Judge as to the credibility of the witness, Hess, against the dissent of the Petitioner on the subject.

With respect to the statements in the paragraphs numbered (1), (2), and (3) on pages 4 and 5 of the brief, we say here succinctly, while reserving more extended discussion until later, as follows:

(1) Respondent's predecessor did not know that Petitioner was making or selling the construction held to in-

fringe, as Petitioner well knows. Not only have the Courts found this to be true (R. p. 761), but the witness, Hess, the President of this predecessor concern, not only testified to that effect on the witness-stand, but told Petitioner prior to testifying that he did not know it when Petitioner interviewed him for the purpose of making him his own witness on the subject.

(2) As all the Courts have held, the feature of novelty was in the new combination of elements in the claims. This constituted the invention. The function to which reference is made is not the invention, but one of the things the invention does. Its addition to the claim was gratis and added nothing to the novelty. A claim is not invalid because it recites a function in addition to reciting the elements constituting the combination. The claims are like those held valid by this Court in *Bassick v. Hollingshead,* 298 U. S. 415, 420 as distinguished from the claims in *General Electric v. Wabash,* 304 U. S. 364.

(3) Instead of the defendant's device being radically different from the patented device, it is substantially identical and the full equivalent, as the record shows, and each of the Courts have held. While it is true that the infringing device performs the same function as the patented device, that is not the only feature of identity. There is identity of structure and operation as well as function.

It is plain from this statement of facts that there is nowhere any diversity of view among any of the three Courts which have ruled upon issues here involved or between the two Courts who have ruled upon all of the issues involved. It is also apparent that no new question of law is presented in this case and that the controversy is purely local between the parties. It is also apparent from the Petitioner's complaint that it is predicated upon errors of fact and upon misinterpretations by Petitioner of established law.

Questions Involved: All the questions included under this title at pages 8 and 9 of the Petition are local to this litigation. There is no discord below with respect to any of them. On the other hand, there is concord throughout. In addition counsel is in error with respect to each of them, as we have already shown.

(1) The Court of Appeals did not refuse independent determination of the question of laches and infringement, though it may have properly done so, under the provisions of Rule 52, since both questions were predicated upon facts found by one or two District Judges who saw and heard the witnesses and saw the operations of the machine.

(2) and (4) The claims are not functional, as all three Courts have found.

(3) Machines involving the Eden invention have been made and sold by the hundreds of thousands; the patent was purchased by the Respondent because of the merit of the invention which it covered and not for purposes of speculation though, of course, it would be immaterial if the purchase had been made for the latter proposition. The Statute awards the patentee the profits and damages of the infringer without inquiring as to whether the patent owner purchased the patent for reasons which were approved or disapproved by the infringer.

II.

The "reasons for granting the Writ" which are urged constitute no more than a repetition of what has already been said in the Petition. Our answers are the same. All of these reasons are esoteric to these parties; all are decided by concurring decisions below; there is no diversity of decision with respect to any of them. In addition counsel is wrong and the Courts are right about them for the reasons we have already given.

ARGUMENT.

I.

Anybody would think from the protestations and appeals of the Petitioner that the practice under F. R. C. P. 52(a) was a new practice, needing interpretation, explanation or application by this Court. Quite the contrary is true for the practice and its application is very old. All the rule did was to codify it. In that respect it differs from Rule 35, interpreted by this Court in *Sibbach v. Wilson*, 312 U. S. 1. The practice under F. R. C. P. 52 is a salutary rule for the reasons stated by Mr. Justice Holmes, speaking for this Court in *Adamson v. Gilliland, supra*, as follows (p. 353):

> "Considering that a patent has been granted to the plaintiff the case is pre-eminently one for the application of the practical rule that so far as the finding of the master or judge who saw the witnesses 'depends upon conflicting testimony, or upon the credibility of witnesses, or so far as there is any testimony consistent with the finding, it must be treated as unassailable.' *Davis v. Schwartz*, 155 U. S. 631, 636."

Not only is the rule of ancient origin and frequent application, but it applies as well to findings predicated upon the observation of the machines and their operation (*Piper v. Brown*, Fed. Cas. 11,181 and authorities cited; *Diamond v. Webster*, 249 Fed. 155 (C. C. A. 9); *Stevens v. Schmid, supra; Swan v. General Motors, supra*).

Hereinafter we follow the order in Petitioner's Brief.

The facts in connection with the question of laches are as follows:

Facts prior to knowledge and Notice of Infringement in 1934: The application for the Eden patent was filed in 1917 and after a scrutinizing and intensive prosecution in the Patent Office, including two interferences, the Eden patent was issued in March, 1922. As shown on the patent it was issued after mesne assignments to the Gillispie-

Eden Company. The record shows that the title to the Eden invention passed through a series of small companies, all struggling for survival and to avoid bankruptcy in a sea dominated by large and belligerent competitors. In 1934 the plaintiff was in the market for and purchasing patents on meritorious devices in order to bolster its efforts to survive against this same competition and, among others, purchased the Eden and the Couch & Wallace patents in suit.

Prior to 1934 the owners of the Eden patent were so strapped by their efforts to keep out of bankruptcy that they were unable to purchase the equipment of their numerous competitors to determine whether or not their patents were being infringed (R. p. 134). The Eden Companies manufactured many machines employing the Eden invention prior to 1934 (R. pp. 125, 127, 128). They stressed the Eden invention (R. p. 125) and issued circulars showing machines employing the invention with an epigrammatic description thereof (R. pp. 581 and 597). Some of these circulars were in the possession of the Maytag Company and were taken out and studied by Maytag employees together with Eden machines, along in 1926 or 1927, just about the time the defendant's infringement of the Eden patent began (R. p. 250). The statements in these circulars announcing the incorporation therein of the feature covered by the Eden patent were read by the defendants' representatives and the devices themselves were seen (R. p. 251). Whether the machines issued by these companies embodied the Eden invention, or not as Petitioners contend, or were marked with the Eden patent date or not is not established by this record.*

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* Defendants' Vice President claimed to have secured one of these old machines and said that he failed to find such patent marking on the machine. Objection was made to his testimony regarding the contents of this document, and demand was made that he produce the exhibit, but he declined to do so, and the

(Continued on page 14)

On August 25, 1921, the owner of the Eden patent took a license under certain washing and wringing machine patents owned by the defendant. Thereafter The Maytag Company kept over the owners of the Eden patent that surveillance which a royalty collecting licensor always exercises over his licensees and their product to assure himself that none of the structure of the licensee avoids the patents covered by the license. In the instant case the supervision exercised by The Maytag Company over the owners of the Eden patent was unusually careful owing to the nature of the license which was limited to special designs (Defs. Ex. 66, R. p. 561, offered R. p. 114; Defs. Ex. 69, R. p. 588, offered R. pp. 222, 288).*

The record shows that the defendants began their infringement in 1927, about the time it learned of the claimed and challenged use of the invention of the Eden patent in the Eden machine through the Eden circulars (R. p. 251). That the defendant was conscious of its infringement is manifested in several ways; first, although it issued literally billions of advertisements explaining in great detail its washing and ironing machines and their merits, great care was exercised not to include any pictures or any words which would create any sus-

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(Continued from page 13)

Court overruled the request. The witness then testified that the markings were so indistinct that he could not tell what was said in these markings (R. pp. 253-255).

In addition, the Eden companies were bound by their licenses to mark their wringers in the form prescribed by The Maytag Company and to limit the marking to simply the patents under which they were licensed (R. p. 590; Defs. Ex. 69, offered R. pp. 222, 288) so that if the patent in suit was omitted it was as much the responsibility of defendants as of the Eden companies.

* This restriction of the licensees to the antiquated machines for which the licenses were originally granted was actually enforced by The Maytag Company. See *Vulcan vs. Maytag*, 73 Fed. (2) 136, 139. It was attempted to be enforced against plaintiff until The Maytag Company was perpetually enjoined from suing plaintiff on this ground (R. p. 538; Pl. Ex. M-8, offered R. p. 93).

picion that the defendant was employing the Eden invention; second, the mechanism involving the invention was included within a casing whose parts were tightly screwed together so that no one would suspect that the Eden invention was being employed unless he unscrewed the casing, opened up the parts, and then operated the mechanism. That the purpose of these proceedings was to hide the infringement is manifested by the fact that soon after the owners of the Eden patent discovered that the defendant was infringing the patent, and the defendant learned of that discovery, the defendants' advertisements thereafter contained laudatory statements regarding the merits of the Eden invention involved in the defendants' machine (Exhibit I, R. p. 521; first published June, 1936, R. p. 79).* So effective was the concealment that the plaintiff didn't know that Maytag was using the infringing equipment when plaintiff acquired the Eden patent in 1934 (R. p. 104) though the plaintiff had been operating under the same kind of a Maytag license as the Eden people to a $450,000 extent (R. p. 118).

In view of the careful concealment of the infringement by the defendant, the Eden people had no way of learning of the infringement except by one of the following three ways:

First, to send somebody around with a screw-driver and investigate washing machines in all the cellars of all the residences;

Second, take the screw-driver and go around to all of the stores or other places where the defendants' machines were on sale and open one up, or

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* The reproduction of this document in the record (R. p. 521) is so badly done that the small type printing matter cannot be read. The following appears—legible enough in the original document—below the picture in the upper righthand corner:

"Rolls cannot be started until wringer is locked in position."

Third, buy up and investigate a specimen of each of the washing and wringing machines on the market at an expense of $25,000.00 or $30,000.00.

Nor would the use by the defendant of a single lever create any suspicion as defendants contend in their brief because there had been and were upon the market many machines employing a single lever, such as the Schroeder machine, which not only did not employ the Eden invention, but which could not short of some legerdemain be modified to employ it. There were also upon the market many machines which, though they employed two levers, placed one of them in a prominent position, as the infringing machine placed its lever, and placed the other in an obscure or suppressed position in order that the prominence of the former would assure its position of neutrality before the suppressed lever was operated in order to avoid the accidents which the Eden invention made impossible. Machines employing this stratagem are illustrated in the Lyche patent and the Mammen patent, and in machines of defendants preceding the infringement. One accustomed to looking at such a machine where the lever on the upper righthand side is shown with great prominence and the second lever is hidden in the nether parts of the apparatus, would hardly be stirred to suspicion by a machine which omitted the suppressed lever altogether.

Proceedings After 1934 When the Plaintiff Acquired the Eden Patent: In 1934: Plaintiff acquired the Eden patent on April 18th (R. p. 495; Pl. Ex. B-10, offered R. p. 92); thereafter, the defendants' infringement was discovered (R. p. 104); June 9th, Maytag was notified of its infringement (R. p. 529; Pl. Ex. M, offered R. p. 92); June 16th, plaintiff counterclaimed the defendant on the Eden patent (R. p. 530; Pl. Ex. M-1, offered R. p. 92); June 27th, plaintiff advised defendant Eden claims infringed (R. p. 532; Pl. Ex. M-2, offered R. p. 92).

1935: January 21, the District Court ordered the dismissal of the counterclaim "without prejudice" (R. p. 538; Pl. Ex. M-8, offered R. p. 93); February 14th, such counterclaim was so dismissed (R. p. 540; Pl. Ex. M-9, offered R. p. 93).

1936: February 18th, suit was instituted in the Second Circuit under the Eden and other patents (R. p. 696; Def. Ex. 87, offered R. p. 289); filing of the bill was preceded by the usual preparations which precede the institution of all suits; November 25th, further notices of infringement were served by the plaintiff on defendant; depositions were taken in the Second Circuit suit which proceeded to trial in the usual way and with the usual activities; the instant suit was instituted on December 7th (R. p. 1); December 11th, amended Bill was filed (R. p. 12), and from then on until the trial of this suit overlapping activities on these two suits, one pending in the Second Circuit and the instant cause, were continued with great activity as follows:

In 1937: In this suit Motion for and Bill of Particulars was filed early in the year; April 23rd, an Order was entered on the particulars and supplemental and amended bill incorporating particulars was filed (R. p. 36); defendant filed its Answer on June 21st (R. p. 56). In the meantime the case in the Second Circuit was tried and on November 10th Judge Thomas handed down his opinion holding the Eden patent valid and infringed.

In 1938: The decree in the Connecticut case, holding the Eden patent valid and infringed, was entered on January 5 (R. p. 427; Pl. Ex. A-24, offered R. p. 93). During the remainder of 1938 the issue over the Eden patent was negotiated and settled in the Second Circuit case; appeal was then prosecuted from the other parts of the decree, including the Prachar patent, and heard by the Circuit Court of Appeals in the Second Circuit and decided on December 19th (100 F. (2) 1009). In the instant cause stipulation

was prepared and filed February 8th (R. p. 73); defendants' answer was amended May 21st (R. p. 74) and a second stipulation filed May 28th (R. p. 77).

In 1939: Depositions of nine witnesses were taken by defendants in the instant cause in February (R. pp. 136, 381); on March 10th plaintiff filed requests for Admissions (R. p. 80) and on March 18th plaintiff amended its Bill (R. p. 82); on May 1st, the case was set for trial in June (R. p. 83); June 1st, amendment to Bill of Complaint was filed (R. p. 85) and on June 14th, amendment to defendants' Answer (R. p. 86); June 14th, the trial was postponed until September 26th (R. p. 87); June 24th, defendants amended their Answer (R. p. 88); and the trial began on September 26th (R. p. 90). In the meantime nineteen depositions had been taken by both parties (R. pp. 136-137) and both parties were otherwise active in the suit.

Through all this time it is a fair presumption that there were the usual extensions of time to accommodate courts and counsel.

Many of these facts were in dispute including the credibility of the testimony of Mr. Hess to which we have already referred.

Substantially all the facts included in the items 1 to 5 on pages 15 and 16 of Petitioner's brief were in dispute. Among these facts were the following:

The relationship was not close; the circulars referred to did not disclose the infringing apparatus; on the other hand, they concealed it; that the Maytag machines advertised, manufactured and sold throughout the country employed the infringing apparatus, was not only not known to the owner of the Eden patent, but was concealed by the Maytag Company; the single handle control was not a conspicuous feature of the infringing machines; it was not emphasized in the circulars; on the contrary, it was suppressed; the presence of the single hand control, instead of giving any indication of infringement, was misleading

on the subject because of the use of the single hand controls in other machines, including the spurious Schroeder machine. It would have been illegal to have marked any machine under the Eden patent which did not employ the Eden invention, and Petitioner asserts that the owners of the Eden patent, prior to the Respondent, did not make any machines under the patent. The markings to be placed upon these machines were dictated by the Petitioner under the licensing arrangement under its pool of patents. The Maytag Company knew about the Eden patent and that it was being infringed by the accused machines all during the period it was making and selling them.

Many other of the many facts which we have listed above are in dispute. Concerning some of them the evidence is in conflict. The District Court saw and heard the witnesses offering this evidence and resolved it in favor of the Respondent.

Certiorari was granted in *Chandler v. Brandtjen*, 296 U. S. 53, on the grounds of diversity of decision between the Second and the Seventh Circuits. We have discussed the reasons for granting certiorari in *Sibbach v. Wilson*, *supra*.

II.

The discussion of infringement by the Court of Appeals is found in the following excerpt (R. pp. 1024 and 1025):

> "Patents are not limited to the structure described and shown, but the invention may be embodied in various forms. A transposition or rearrangement of the parts as set forth in a patent is an embodiment of the patented invention and does not avoid infringement unless form, location or sequence is essential to the result or to the novelty of the claims. *Continental Paper Bag Co. v. Eastern Paper Bag Co., supra; Simplex Co. v. Star Co.*, 37 F. 2d 491. Infringement is not avoided by combining two elements of a claim in one

part. *Bundy Mfg. Co. v. Detroit Co.*, 94 Fed. 524; *Dowagiac Co. v. Brennan & Co.*, 127 Fed. 143.

"*We think there can be no doubt that each of the asserted claims reads upon defendants' structure*, and the only seemingly important difference between the patent disclosure and the accused structure lies in the fact that defendants use one lever which performs the same function, in the same manner, and accomplishes the same result, as do Eden's two levers. *The District Court found equivalency, and we agree.*

* * * * *

"It is argued by appellants that in *Miller v. Eagle Co.*, 151 U. S. 186, it was held that interchangeability is a test of infringement, but *under the facts there present* we think it is clear the Court referred to functional rather than physical interchangeability. This would seem to be true in the light of more recent decisions. *Continental Co. v. Eastern Co., supra; Hildreth v. Mastoras*, 257 U. S. 27; *Eibel Co. v. Paper Co., supra*; and *Sanitary Co. v. Winters*, 280 U. S. 30.

"Of course, as defendants urge, there can be no infringement without substantial identity, and the mere reading of the claims upon the accused structure does not connote infringement unless there is equivalency. *However, we have here substantial identity both in combinations and in elements, and it seems to us that equivalency is obvious.*"

Thus the Court of Appeals not only found that the claims in suit described the defendants' construction, but found equivalency independently of the District Court who had also found equivalency.* The Court of Appeals also found substantial identity in structure ("in combinations and in elements") as well as in operation and results ("per-

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* The finding of the District Court on the subject is as follows (R. p. 760):

"7. The defendants' machines exemplified by Plaintiff's Exhibits A and B embody all of the elements of the combination of the claims in suit of the Eden patent, and operate in substantially the same way to get the same results."

forms the same function, in the same manner, and accomplishes the same result"). This is in accordance with the rule that has existed from time immemorial in the patent practice. It has been applied by this Court frequently. For example, in the *Paper Bag Machine* case, 210 U. S. 405, this Court said (pp. 418 and 419):

> "An inventor must describe what he conceives to be the best mode, but he is not confined to that. If this were not so most patents would be of little worth. 'The principle of the invention is a unit, and invariably the modes of its embodiment in a concrete invention may be numerous and in appearance very different from each other.' *Robinson on Patents,* Sec. 485."

In the *Sanitary v. Winters* case, the Supreme Court said, 280 U. S. 42:

> "A close copy which seeks to use the substance of the invention, and, although showing some change in form and position, uses substantially the same devices, performing precisely the same offices with no change in principle, constitutes an infringement. *Ives v. Hamilton,* 92 U. S. 426, 430. And even where, in view of the state of the art, the invention must be restricted to the form shown and described by the patentee and cannot be extended to embrace a new form which is a substantial departure therefrom, it is nevertheless infringed by a device in which there is no substantial departure from the description in the patent, but a mere colorable departure therefrom. Compare *Duff v. Sterling Pump Co.,* 107 U. S. 636, 639."

The discussion of infringement by the Court of Appeals and the finding of the District Court in the above quotations show that there is plain mechanical equivalency between the elements in the defendants' and the patented machine as in the *Eibel* case, and that the corresponding elements operate upon the same principle and get the same results as in the *Hildreth-Mastoras* case, and that the difference is, therefore, merely colorable as in the *Sanitary-Winters* case, since these differences are merely

mechanical details which leave the principles the same. Since the Court of Appeals found that there was substantial identity both in combination and in elements, there was similarity in elements in the instant case, and hence the rule in *Jogger v. Ropemore* does not apply, since there, as Judge Evans said, similarity of elements was absent. The rule in *Westinghouse v. Boyden* does not apply because, in the instant case, both Courts found that there was substantial identity in principle, in elements and in results. The Court of Appeals distinguished from *Miller v. Eagle* under the facts here as distinguished from the facts there presented.

In the other Seventh Circuit cases relied upon by the Petitioner, non-infringement was found because the claims had been limited for reasons such as file wrapper estoppel, the prior art in those particular cases, or on the paper patent theory, none of which are present in the instant case. Due to the extensive use and practical success of the Eden invention, the rule as stated in *Smith v. Snow,* 294 U. S. 14 as follows is applicable:

> "If the matter were doubtful, it is plain from what has been said that the character of the patent and its commercial and practical success are such as to entitle the inventor to broad claims and to a liberal construction of those which he has made. *Moreley Machine Co. v. Lancaster,* 129 U. S. 263, 273-277; *Eibel Co. v. Paper Co.,* 261 U. S. 45, 63; *Winans v. Denmead, supra,* 341."

The claim that all Eden did was position a specific old form of interlock in a new location is contrary to the finding of all three of the Courts below including those who saw the machine and their operation. This is a question of fact in which they are all in accord.

III.

A comparison of the claims in suit, including claim 8 reproduced on page 20 of Petitioners' brief (when the alleged functional parts are emphasized), with the claim in *General Electric v. Wabash* and the claim in *Bassick v. Hollingshead* (298 U. S. 415, 420), shows that the claims of the patent in suit are not functional and that they fall with the claim held valid in the *Bassick-Hollingshead* case and not with the functional claims in *General Electric v. Wabash.*

The following claim 28 is from the *General Electric v. Wabash* case, and is typical of the claims held invalid there as functional (304 U. S. 364, 371):

> "28. A coiled filament composed substantially of tungsten and *capable of use in an electric incandescent lamp without either substantial sagging or offsetting during a normal or commercially useful life.*"

The claim held valid in the *Bassick-Hollingshead* case (298 U. S. 415, 419) is copied below:

> "2. The combination with a hollow coupling member having a pin projecting from one side thereof and a spring-pressed closure, of a pump, a discharge conduit having one end secured to the outlet of said pump, a second hollow coupling member for receiving the closed end of said first named coupling member secured to the other end of said conduit and provided with a bayonet slot adapted to co-act with said pin, a perforated sealing disk mounted to reciprocate in the bore of said coupling member, means *for yieldingly urging said sealing disk against the closed end of said first named coupling member, and means for limiting the movement of said sealing disk in the direction of said second coupling member.*"

In each case we have italicized the functional phrase.

It will be seen that in the Bassick-Hollingshead claim the function is added to the combination of elements, as it is in the claims in suit, and that, therefore, they are not invalid as functional. However, in the claim in the *General*

Electric-Wabash case there is no structure to support the function.

Plainly the claims in suit fall in the class with the Bassick-Hollingshead claim and not in the class of the claim in *General Electric vs. Wabash.*

The only thing admitted to be old was the elements in the combination. There is no admission that the combination was old. A claim is not invalid because the elements in the claim are old, as this Court said in *Expanded Metal v. Bradford,* 214 U. S. 366, 381, as follows:

> "It is perfectly well settled that a new combination of elements, old in themselves, but which produce a new and useful result, entitles the inventor to the protection of a patent. *Loom Company v. Higgins,* 105 U. S. 580-591."

IV.

There is no confusion in the authority on laches. On the other hand, the rule is well and anciently established. The arrival at different results in the different decisions cited is based upon the differences in the facts in the different cases. The finding of the District Court on laches is a Finding of Fact. It is as follows (R. p. 761):

> "8. The plaintiff and its predecessors in title to the Eden patent in suit had no knowledge that the defendants were infringing this patent until after the purchase of this patent by plaintiff. Plaintiff acquired the Eden patent in April, 1934, for the first time notified defendant, The Maytag Company, that it was infringing this patent on June 3, 1934, and on June 16, 1934, asserted this patent against The Maytag Company in a counterclaim in a suit brought by that company for breach of the license contract under which plaintiff had been operating since 1920, and on February 14, 1935, dismissed this counterclaim without prejudice. On December 7, 1936, plaintiff filed this suit. The infringing construction was enclosed within the wringer head so that the mechanism could not be seen without opening the casing and no mention of the

infringing structure or its results was made in the defendants' advertising until after plaintiff filed its suit against defendants on this patent."

A similar finding was made by Judge Thomas in the District Court in Connecticut (21 F. S. 241, 245) as follows:

"It appears from the evidence that plaintiffs acquired the patent on April 18, 1934, but nothing on the record indicates that either plaintiffs or their predecessors in title had knowledge of the defendant's infringement. In *Smith Hardware Company v. Pomeroy Co.*, 299 F. 544, at page 548, Judge Manton, speaking for the Circuit Court of Appeals of the Second Circuit, said: 'It is no defense to a suit for an injunction and accounting for a continuing infringer to say that he has been trespassing upon the rights of the owner of the patent for years with impunity. * * * Laches is not a mere matter of time, but is a question of inequity of enforcing a claim.'

"See, also, *Menendez v. Holt*, 128 U. S. 514, 9 S. Ct. 143, 32 L. Ed. 526; *Drum v. Turner* (C. C. A.) 219 F. 188.

"In any event, plaintiffs have not slept on their rights, because within three months after they acquired title to the patent in suit they brought suit for infringement of the same by filing a counterclaim on June 16, 1934, in the suit of the *Maytag Co. v. Apex Electrical Manufacturing Co.*, in Equity No. 4837, then pending in the United States District Court at Cleveland, Ohio. Moreover, on July 17, 1935, plaintiffs notified the defendant of their ownership of the patent in suit. There is no inequity whatever which prevents plaintiffs from enforcing their claim of infringement here, because there is no evidence whatever that the plaintiffs or their predecessors holding title to the patent in suit had any knowledge of the infringing acts of the defendant prior to the notice to the defendant on July 17, 1935. For these reasons, the defense of laches and estoppel must fail. From the foregoing discussion it follows that the patent to Eden must be held valid and infringed."

The third Conclusion of Law of the District Court in Indianapolis, quoted at the bottom of page 21 of the Petitioner's brief, recites the proper practice of deferring and referring certain questions relating to the extent of the accounting to the Master (*Rubber Company v. Goodyear*, 9 Wall. 788, 800; *Aronson v. Toy*, 1 F. (2) 91, 93 (C. C. A. 3); *Minerals v. Miami*, 264 Fed. 528 (D. C. Del.); *Gordon v. Ford*, 87 F. (2) 390 (C. C. A. 6)). As said at the bottom of page 22 of the Petitioner's brief, the request for review in this Court is not on what the District Court did, but what "it might do, that is, allow the present owner a recovery of damages and profits for the period subsequent to his acquisition of title." This Court, therefore, is asked to review not what has been done, but what Petitioner apprehends might be done.

The conclusions arrived at in the cases from which the excerpts are quoted are not applicable here because the facts are different, as is clear from comparing them with the facts found in the above quoted Finding of Fact 8 of the District Judge.

V.

There is no similarity between this case and the *Schriber-Schroth Case*, as we have already pointed out. There is no justification for the implication that the Second Circuit case was settled to avoid a review by the Second Circuit Court of Appeals. The inference is not only unsupported, but is unwarranted. As we have said, the Respondent made a mistake in settling "for a nominal sum" because the Court of Appeals in the Second Circuit affirmed Judge Thomas on all of the other features which were carried to that Court of Appeals.

There being no diversity of decision anywhere, there being uniformity of decision in two circuits, the patent having expired, no important question being involved, and the sole issue being local to the parties, the Petition for

Writ of Certiorari should, under established practice of this Court, be denied.

Respectfully submitted,

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November 7, 1941.